

METROPOLITAN AREA PLANNING COMMISSION

MINUTES

February 8, 2007

The special meeting of the Wichita-Sedgwick County Metropolitan Area Planning Commission was held on Thursday, February 8, 2007, at 1:15 P.M., in the Planning Department Conference Room, 10th floor, City Hall, 455 North Main, Wichita Kansas. The following members were present: Darrell Downing, Chair; Don Anderson, Vice-Chair; Elizabeth Bishop; Bill Johnson; Ron Marnell; Harold Warner, Jr.; Bob Aldrich; Bud Hentzen; Hoyt Hillman; Morris K. Dunlap and Michael Gisick. John W. McKay, Jr.; M.S. Mitchell and Don Sherman were not present. Staff members present were: John L. Schlegel, Secretary; Dale Miller, Current Plans Manager; Donna Goltry, Principal Planner and Maryann Crockett, Recording Secretary.

1. Consideration of the TIF Project Plan for the Home Depot Project in the 47th and Broadway Redevelopment District.

ALLEN BELL, Economic Development Administrator, presented a staff report by stated that in April 2006, the Wichita City Council passed a resolution establishing a redevelopment district at Broadway and 47th Street. He referred MAPC members to a GIS map outlining the boundaries of the redevelopment district.

RON MARNELL in at 1:15 pm.

BELL said the purpose of establishing the redevelopment district was to provide tax increment financing to support project development. He referred to an aerial photograph which outlined the current uses of the property, including a former Checkers grocery store, which he indicated has been closed for some time, and a multi-tenant strip type mall at the east end of the building that included a Rent-A-Center, pawn shop, a Mr. Goodscents deli and other small shops. He said out parcels included a branch bank, video rental store, Burger King, and other retail shops.

BELL said the two large parcels at 245 E. 47th were owned by the developer David Christie and that for over ten years he has been unable to find suitable development for the site. He said recently Home Depot has expressed an interest in developing an 18,000 square foot home improvement store where Checkers was located. He said the developer has also identified buyers for the two out parcels on 47th Street (both restaurants). He said they developer also proposes demolishing the west end of the current building, designing a new facade and re-roofing the entire building

BELL indicated that there had been delays on the project due to the discovery of ground water pollution on the site. He said a Phase I environmental study commissioned by the developer showed a clean site; however, when Terracon Environmental Engineering did a geo-technical analysis of borings from the site, they discovered petroleum product pollution. He said a complete Phase I and II environmental study revealed that back in the 1920's and 1930's the area was an oil field and that the pollution was coming from old oil wells. He said there were two specific areas of pollution. He said the Home Depot site was self-contained and that the Kansas Department of Health and Environment (KDHE) had agreed to a "no further action letter." He said the second site, which was the area on the west side of the proposed development site where the shopping center would be located was more complicated. He said evidence indicates that the pollution was migrating onto the site from the northwest and that some pollution was leaving the site to the southeast. He said it would take some time to get a "clean bill of health" on that site.

BELL thanked the MAPC for accommodating their request for a special meeting to review the project. He requested that the MAPC find that the project conforms to the Wichita-Sedgwick County Comprehensive Plan.

MICHAEL GISICK in at 1:25 pm.

BELL said the City Council would review the project plan including a detailed description of what is going to be built and the financial feasibility of the project. He said the total project cost was \$16 million. He said \$14.5 million would come from development or private funds, and that \$1.5 million would come from tax increment financing. He said tax increment funds would be used for site improvements, parking, utility location/relocation and other authorized expenditures. He said currently the property generates \$60,000 in taxes, but that after development it will generate an additional \$200,000 in taxes. He said that would be sufficient to cover the debt service on the \$1.5 million in City bonds. He commented that the bonds would not be secured by the full faith credit in the City, but developer "special obligation bonds" would be issued based on incremental tax revenue generated in the redevelopment district. He said the bond underwriter would underwrite the bonds based on Home Depot's credit worthiness.

ALDRICH asked about a time limit on the site clean up?

BELL said the Home Depot site is self-contained. He said Terracon has scoped out the extent of pollution on both sides of the site and designed a remediation program. He mentioned the use of a biological mediation such as introducing enzymes into the polluted water table. He said the remediation would be entered into a covenant that will be registered with the Registrar of Deeds restricting land use into the future. He said they would also enter into a voluntary clean up agreement with KDHE.

ALDRICH asked how long the remediation would take?

BELL responded it could be a number of years, he was unsure.

HILLMAN asked if Terracon has identified the source of the pollution coming across the property?

BELL said they are conducting further investigations. He said it appears to be coming from the west; however, that hasn't been nailed down. He said they would be in contact with PepsiCo, who owns both the land to the west and south of the site to gain access to the property to conduct further testing.

ANDERSON asked if the City had a written policy on the use of tax increment financing?

BELL explained that the City conforms to what is permitted by State Law, with City Council input. He said there is no automatic entitlement. He said there is an internal TIF Team consisting of himself, and representatives from Planning, Finance, Sedgwick County and USD #259 that look at every project. He said they evaluate whether it is a good project that should be supported and whether financial assistance is needed; is there a gap in financing that will not allow the project to go forward.

ANDERSON asked how many tax increment financing projects have been developed?

BELL said Old Town (the old town Cinema); east bank (Hyatt); Waterwalk; 21st and Grove (Cessna Training Center); 13th and Grove (grocery store); Central and Hillside (hotel/shopping center) and Douglas and Hillside.

ANDERSON clarified that the projects could occur any place in Wichita?

BELL stated that the State Statute contains a checklist, but some of the criteria for location determination included slum and blight, location in a former enterprise zone designated by the City Council prior to 1991, and is it a conservation area (buildings at least 35 years of age or older) on its way to being blighted. He said this particular location was a former enterprise zone site.

HENTZEN made comments concerning pollution sites in the past referencing the "Gilbert & Mosley" site and other properties in Kansas and how once the pollution was discovered, lending agencies were apprehensive about loaning money to expand businesses if they were located in these area. He mentioned the City of Wichita's remedial program, that if a business was not one of the polluters, they got a certificate absolving them from clean up responsibility. He asked if that was still in effect, because he believed it was working?

BELL responded yes.

HENTZEN asked how far that remediation area went south to Pawnee?

BELL said further south than Pawnee, but not as far as 47th St., South.

HENTZEN asked if staff had considered applying that type of program to this area?

BELL explained that the procedure for creating an environmental TIF district is pretty cumbersome and that they may not want to do that on such a small scale. He also mentioned that they are dealing with a different regulatory environment than in the early 1990's. He mentioned the "super fund" and that when economic close downs occurred and property values plummeted, new ways were developed to deal with pollution such as voluntary clean up and federal programs such as "brown fields."

BELL added that the City did go back to the legislature and request another 10 years to be added to the original 20-year grant for the Gilbert & Mosley site, for a total of a 30-year term. He said they learned as they went along that the remediation would take longer than originally anticipated considering infrastructure, point source of remediation, on-going monitoring and water pumping.

ANDREW MITHCELL, DAVID J. CHRISTIE, INC., said they have had meetings with KDHE and that they are going to make sure that the site has a clean bill of health before one scoop of dirt is moved. He added that they would develop a remediation program and put monitoring in place.

MOTION: To approve the resolution that the project known as the Broadway and 47th Street Redevelopment District is consistent with the Wichita-Sedgwick Comprehensive Plan.

MARNELL moved, **JOHNSON** seconded the motion, and it carried (11-0).

The Metropolitan Area Planning Department informally adjourned at 1:45 p.m.

State of Kansas)
Sedgwick County) ss

I, John L. Schlegel, Secretary of the Wichita-Sedgwick County Metropolitan Area Planning Commission, do hereby certify that the foregoing copy of the minutes of the meeting of the Wichita-Sedgwick County Metropolitan Area Planning Commission, held on _____, is a true and correct copy of the minutes officially approved by such Commission.

Given under my hand and official seal this _____ day of _____, 2007.

John L. Schlegel, Secretary
Wichita-Sedgwick County Metropolitan
Area Planning Commission

(SEAL)